GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:3618
ANSWERED ON:07.08.2002
INDIA TO APPROACH WTO
IQBAL AHMED SARADGI

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether the Government have decided to approach the WTO of thethird and final round of consultations with European Union for granting duty-free concessions to India at par with Pakistan fail;

(b) if so, the details thereof;

(c) whether the third and final round of talks between India and EU have failed to achieve the desired results; and

(d) if so, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH)

(a) - (d) The scheme of Generalised System of Preferences (GSP) of the European Union (EU) for the period 1st January 2002 to 31st December 2004 inter alia provides for suspension by the EU of customs duties for all products which have not graduated, under special tariff arrangements to combat drug production and trafficking. Pakistan is one of the beneficiary countries under this special arrangement. As this may adversely affect India`s exports to EU, India had taken up this issue with EU through bilateral consultations held in February 2002 and July 2002. During these consultations, it was highlighted that India would stand to lose substantial trade on account of duty concessions given selectively to Pakistan. The EU was requested to rectify the adverse trade impact due to such concessions. During the recently concluded bilateral consultations, specific details regarding the adverse impact already reflected in the trade figures of the first few months of this year were highlighted.

In order to help resolve the above dispute with EU, India has also separately held consultations with the EU on 25th March 2002 under the Dispute Settlement Mechanism of WTO.

All these consultations have however not led to positive results. While Government are still open to remedial action from the EU side, further course of action would be taken in accordance with the WTO rules.